

**U. S. Department of Agriculture
Office of the Chief Financial Officer
National Finance Center (NFC)**

Standard Costs (as of July 26, 2002)

I. INSERTS TO STATEMENT OF EARNINGS AND LEAVE (SEL)

Table 1 illustrates the matrix of charges for processing inserts if NFC prints the inserts and Table 2 if the agency prints the inserts. Costs are based on the number of inserts requested, the number of pages per insert, who prints the inserts, and whether the request is for black and white or color copies.

Table 1. NFC Prints SEL Inserts

Number of Sheets*	Fewer than 50,000 units	50,000 to 100,000 units	100,001 to 150,000 units	More than 150,000 units
Cost per insert:				
1	\$0.077	\$0.052	\$0.047	\$0.044
2	\$0.107	\$0.081	\$0.076	\$0.074
3	\$0.136	\$0.111	\$0.106	\$0.104
4	\$0.166	\$0.141	\$0.136	\$0.134

* A sheet is an 8 ½ by 11 inch white piece of paper printed on one or both sides. Color, heavyweight, or legal (8 ½ by 14 inch) copies cost an additional \$0.006 per sheet.

Table 2. Agency Prints SEL Inserts

Number of Sheets	Fewer than 50,000 units	50,000 to 100,000 units	100,001 to 150,000 units	More than 150,000 units
Cost per insert:				
1-4	\$0.047	\$0.022	\$0.017	\$0.015

II. FRONT-END SYSTEM INTERFACE (FESI) TESTING

NFC schedules one-month test windows annually so users can ensure smooth implementation of FESI enhancements. Agencies may elect to participate in these scheduled FESI testing windows. NFC assistance to FESI users already in production is minimal during the test windows. Therefore, routine participation in the regularly scheduled test windows by existing FESI users is included in the basic Payroll/Personnel System unit costs.

If an existing FESI user agency requires NFC assistance beyond that required for routine participation in the scheduled test window, NFC staff will advise the agency that the level of support needed is beyond normal support. NFC will contact the agency about setting up an agency-specific reimbursement for special FESI services.

Listed below are exceptions that would require an Agency-Specific Reimbursement Agreement:

\$ New Client Implementation:

A full production implementation of a new agency/bureau requires up to four test windows. The standard cost per window is \$3,000 or \$12,000 for an implementation (four windows at \$3,000 per window). If additional testing windows are required beyond the four in the initial reimbursement agreement, NFC will amend the agreement accordingly; adding \$3,000 per additional window required.

\$ Test Window Extension:

Some agencies have difficulty meeting the timing for testing during the pre-established test windows. A window extension costs \$2,500 per week. Agencies/bureaus will be billed for the actual number of one-week test window extensions that they request and utilize.

\$ Special Agency Requirements:

On a case-by-case basis, NFC will determine if the user initiative falls into a category that should be costed. Some examples of FESI requests that would require a reimbursement agreement are conversions to a new file length, conversions to a new front-end system, and front-end system upgrades (new versions). The cost will be driven by NFC labor hours on a reimbursable basis.

- Non-Standard FESI File Testing

The standard cost for non-standard FESI testing is \$1,200 (20 labor hours). This charge is for testing non-standard files that do not use the FESI record layout. On a case-by-case basis, the

Government Employee Services Division, Personnel Systems Branch, determines if the request for testing falls in this category and will notify Program Planning and Reporting Office (PPRO) to issue a reimbursement agreement to the agency.

III. POSITION MANAGEMENT SYSTEM OPERATION (PMSO) MASS CHANGES

PMSO mass change requests must be made at least one pay period in advance of the effective date. Requests are serviced on a first-come, first-served basis. Subject to the availability of programmers to write the PMSO mass changes, the request may not be serviced if there is a PMSO mass change already scheduled for that effective date. Under no circumstances should more than two requests be accepted for the same effective date. Requested dates may not be available due to the complexity of the PMSO mass change program.

There are many elements listed in the PMSO database. Some elements are unique to PMSO only, while the others in the PMSO database are coded as a SINQ element. If an element were identified as a SINQ element, this element would also reside in the Payroll/Personnel database.

NFC has arranged PMSO mass changes into three categories: small, medium and large. For the classification of a small category of the PMSO mass changes, coding of the program would consist of reading the PMSO database records based upon the selection criteria of the user request. Modification of the unique element in each particular PMSO record would be applied until all records are modified. A report is generated from the program displaying before and after modifications for verification of the PMSO mass change program.

For the classification of a medium category of the PMSO mass changes, coding of the program would also consist of reading the PMSO database records based upon the selection criteria of the user request. Modification of the SINQ element in each particular PMSO record would be applied until all records are modified. A personnel action, SF-50, would be generated from within the mass change program and submitted to the PINE system as an input file to be processed that night. The process of submitting the SF-50 through the PINE system, modifies the SINQ element that resides in the Payroll/Personnel database. A report is also generated from the program displaying before and after modifications for verification of the PMSO mass change program.

For the classification of a large category of the PMSO mass changes, coding of the program would also consist of reading the PMSO database records based upon the selection criteria of the user request. Any special processing requirements involving vacant, temporary, detailed and obligated positions must be provided by the user for the proper coding of the program. Modification of the SINQ element in each particular PMSO record would be applied until all records are modified. A new copy of the modified record would be created on the PMSO database. A personnel action, SF-50, would be generated from within the mass change program. Special coding of the classification-code on the SF-50 would indicate the disposition of the old PMSO position. The

SF-50 submitted to the PINE system as an input file to be processed that night, modifies the old and new PMSO positions as indicated from the special coding on the SF-50. A report is also generated from the program displaying before and after modifications for verification of the PMSO mass change program.

Standard costs for PMSO mass changes are as follows:

Table 3. Cost of PMSO Sweeps by Category

Category	Labor Hours	Cost per Sweep
Small	60	\$3,500
Medium	80	\$4,700
Large	100	\$6,000

IV. STANDARD FORM (SF) 50-B REPRINTS

Reprints of SF-50B's are available to agencies through the Remote Forms Queuing System. Occasionally, however, agencies may contact NFC staff to request that NFC intervene to produce SF-50B's that were not received because they were lost in transit or misplaced. NFC's level of programming is 20 labor hours per Personnel Office Identifier (POI). The standard cost to print, resort, and mail SF-50B's is \$1,200 per pay period per POI. If overnight mailing is requested by the agency, the cost to overnight mail the SF-50B's will be billed to the agency's SF-50B reprint reimbursement number and the agency will also bear those mail costs.

V. MANUAL PAYMENTS

There is an ongoing level of manual payments that are regularly required as part of day-to-day operations. The human resources expended on that effort have historically been included as part of the core processing costs center of the Payroll/Personnel System unit cost. While the introduction of the Special Payment Processing System (SPPS) is simplifying the manual payment process and making it possible for agencies to do their own manual payments, situations frequently arise, such as court cases for back pay settlements, that require extensive manual payments for groups of employees. NFC currently issues agency-specific reimbursement agreements with the respective agencies and processes the work on an actual cost overtime basis. By standardizing the costs, NFC is trying to encourage the agencies' use of SPPS and to reduce the core costs for everyone.

Standard cost manual payments must require activity only within the Government Employee Services Division, Payroll Operations Branch (POB). The cost of standard cost manual payments is driven by NFC overtime labor hours. On a case-by-case basis, POB determines the category for the manual payment. The reimbursement agreement cost will be computed by multiplying the Category rate times the number of manual payments to be made.

There are three categories for standard costs manual payments.

- **Category A: 1 hour per manual payment.** Category A is a basic, single payment requiring little or no research, limited basic calculations, and minor administrative tasks. Typical Category A manual payments include refunds for Federal Employees Health Benefits Association; Federal Employees Group Life Insurance; union dues; taxes, quarters, cost-of-living adjustments; post differences; bills; awards; lump sums; compensatory time; credit hours; tax credits; bill cancellations; salary advances; and dual rates.
- **Category B. 2 hours per manual payment.** Category B is a single payment requiring limited research, basic calculations and minor administrative tasks. Typical Category B manual payments include live time and attendance (T&A); delayed quick service request; Bureau of Employment Compensation cases; levy; child support; VIP (very important person) payments; and corrected T&As.
- **Category C. 3 hours per manual payment.** Category C is a payment requiring routine research, standard calculations and average administrative tasks. Typical Category C manual payments include retirement, promotions, restorations, within grade increase type payments and adjustments up to 3 years that include interest; Thrift Savings Plan payments/adjustments; and Fair Labor Standards Act.

Table 4. Manual Payments Costs by Category

Category	Time Per Manual Payment	Cost per Manual Payment
A, Basic	1 hours	\$50
B, Standard	2 hours	\$100
C, Complex	3 hours	\$150

If a manual payment does not fall into any of these categories, NFC will solicit estimated workload information from all affected NFC organizations, calculate a not-to-exceed cost estimate, and issue a reimbursement agreement to the agency.

VI. THRIFT SAVINGS PLAN (TSP) LOST EARNINGS COMPUTATIONS

The principle for establishing standard cost TSP lost earning computations is the same as expressed for manual payments. The adjustment to reallocate employee contributions and to calculate lost TSP earnings requires support by the POB and GESD Payroll Control Branch (PCB). The cost of computing TSP lost earnings is driven by NFC overtime labor hours. For POB, the effort required is one hour per Social Security Number. Added to the POB cost is the time required by PCB. On a case-by-case basis, PCB determines the category for the manual payment. The reimbursement agreement cost will be computed by multiplying the Category rate times the number of Social Security Numbers to be processed:

There are three PCB categories for standard costs manual payments.

Category A: 1 hour per Social Security Number. Category A is a basic adjustment requiring minimal research and the preparation of fewer than ten lost earnings records.

Category B: 3 hours per Social Security Number. Category B is a standard adjustment requiring an average amount of research and the preparation of fewer than 50 lost earnings records prepared. Most lost earnings cases fall into this category.

Category C: 6 hours per Social Security Number. Category C is a complex adjustment requiring in-depth work and analysis of both the TSP account and payroll records. Preparation of more than 50 lost earnings records. Most retroactive collection cases, i.e., make up TSP contributions, fall into this category.

Estimated completion time for all of these categories include the time spent by PCB on inquiries, accounting entries and reconciliations.

Table 5. TSP Lost Earnings Calculation Time by Category

Category	POB Time	PCB Time	Cost per Social Security Number Processed
A, Basic	1 hour	1 hour	\$100
B, Standard	1 hour	3 hours	\$200
C, Complex	1 hour	6 hours	\$320

If a TSP lost earnings computation does not fall into any of these categories, PPRO will solicit estimated workload information from all affected NFC organizations, calculate a not-to-exceed cost estimate, and issue a reimbursement agreement to the agency.

